

Message Text

LIMITED OFFICIAL USE

PAGE 01 TANANA 00717 301501 Z

50

ACTION AF-18

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 L-03 STR-08 RSR-01 FTC-01 /105 W
----- 077098

P 301430 Z MAY 73

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC PRIORITY 5346

LIMITED OFFICIAL USE TANANARIVE 0717

E. O. 11652: DECON 5/30/74

TAGS: BEXP, EIND, ECON, MA

SUBJ: POTENTIAL COLGATE- PALMOLIVE INVESTMENT

REFS: A) STATE 102767; B) TANANARIVE A-039, 3 APR73

1. SUMMARY: COLGATE- PALMOLIVE (C- P) PROPOSAL TO BUILD FACTORY IN MADAGASCAR PROBABLY FACES BEST CHANCE OF GOMR APPROVAL IF IT INVOLVES JOINT VENTURE WITH EXISTING MALAGASY FIRM, SAVONNERIE TROPICALE (S- T). HOWEVER, MIGHT STILL FACE DIFFICULTY IN OBTAINING AGREEMENT BECAUSE OF GOVT' S OWN AND OTHER COMPANY' S INTEREST IN JOINING IN WITH S- T. GOMR HAS NOT CLEARLY DEFINED POLICY ON FOREIGN INVESTMENT. END SUMMARY.

2. SINCE GOMR POLICY ON MANY FACETS OF BUSINESS AND ECON ACTIVITY, INCLUDING FOREIGN INVESTMENT, STILL IN FLUX, IT IS EXTREMELY DIFFICULT AT THIS TIME TO PREDICT MALAGASY REACTION TO ANY SPECIFIC INVESTMENT PROPOSAL SUCH AS C- P PLAN OUTLINED REF A. HOWEVER, IT WOULD BE OUR GUESS THAT MINECON & FINANCE WOULD GIVE SERIOUS CONSIDERATION TO C- P PLAN IF IT INVOLVED SIGNIFICANT MALAGSY PARTICIPATION AND IF NEW FACTORY WOULD NOT COMPETE NOW OR IN FUTURE WITH EXISTING MALAGASY MANUFACTURERS. PROPOSAL WOULD PROBABLY HAVE BEST CHANCE OF ACCEPTANCE IF IT PROVIDED FOR JOINT VENTURE WITH PRESENTLY FULLY MALAGASY- OWNED AND OPERATED SOAP FACTORY, S AVONNERIE TROPICALE (S- T) (65 PERCENT PRIVATE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TANANA 00717 301501 Z

MALAGASY CAPITAL, 35 PERCENT GOMR).

3. AS INDICATED REF B, S- T DIRECTOR ANDRE RAMAROSON PUBLICLY OPPOSED ORIGINAL C- P PROPOSAL CLAIMING IT WOULD COMPETE WITH HIS FIRM WHICH PLANS TO DEVELOP DETERGENT PRODUCTION IN FUTURE. PRINCIPAL REASON FOR GOMR REJECTION OF C- P APPEARS TO HAVE BEEN THIS PROBLEM OF FUTURE COMPETITION WITH S- T.

4. IF C- P ATTEMPTS TO SOLICIT PARTICIPATION OF S- T IT COULD WELL FACE STIFF COMPETITION. WE UNDERSTAND GOMR MAY BE CONSIDERING ADDITIONAL GOVT INVESTMENT TO HELP S- T MOVE INTO DETERGENT PRODUCTION. FURTHERMORE, RAMAROSON TOLD PRESS IN EARLY APR THAT HE WAS HAVING DISCUSSIONS WITH VISITING DIRECTOR GENERAL OF UNILEVER EXPORT FRANCE ABOUT DETERGENT PRODUCTION.

5. RE GENERAL INVESTMENT CLIMATE YOU MAY WISH TO INFORM COLGATE-PALMOLIVE THAT RAMANANTSOA GOVERNMENT HAS NOT YET ISSUED ITS NEW INVESTMENT CODE NOR HAS IT CLEARLY DEFINED POLICY ON SUCH IMPORTANT ISSUES AS CAPITAL AND PROFITS REPATRIATION.
MENDENHALL

LIMITED OFFICIAL USE
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 30 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TANANA00717
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order:
Errors: n/a
Film Number: n/a
From: TANANARIVE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730556/aaaajxcp.tel
Line Count: 84
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 102767, 73 TANANARIVE A-039, 3APR73
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 09 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Jan-2002 by martinjw>; APPROVED <26 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980310
Subject: POTENTIAL COLGATE- PALMOLIVE INVESTMENT
TAGS: BEXP, ECON, EIND, MA
To: AF
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005